

State of Florida



# Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

## -M-E-M-O-R-A-N-D-U-M-

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PSC

**DATE:** FEBRUARY 22, 2001

**TO:** DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

**FROM:** DIVISION OF COMPETITIVE SERVICES (KENNEDY)  
DIVISION OF LEGAL SERVICES (VACCARO)  
DIVISION OF REGULATORY OVERSIGHT (VANDIVER)

**RE:** DOCKET NO. 001411-TI - INVESTIGATION AND DETERMINATION OF METHOD TO CREDIT ACCESS FLOW-THROUGH REDUCTIONS BY MCI WORLDCOM COMMUNICATIONS, INC. AND TTI NATIONAL, INC. ,AS REQUIRED BY SECTION 364.163, F.S.

**AGENDA:** 03/06/01 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** NONE

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\CMP\WP\001411A.RCM

### CASE BACKGROUND

- November 8, 2000 - Proposed Agency Action (PAA) Order No. PSC-00-2139-PAA-TI was issued wherein the Commission approved the Amended Offer of Settlement proposed by the WorldCom Operating Companies and authorized staff of the Division of Legal Services and the Division of Competitive Services to administratively approve "true-up" adjustments of refund amounts associated with 1-800 service, if the "true-up" falls within the range of \$300,000 to \$350,000. Consummating Order No. PSC-00-2303-CO-TI made Order No. PSC-00-2139-PAA-TI effective and final on December 4, 2000.
- February 13, 2001 - MCI WORLDCOM Communications, Inc. notified staff (Attachment A, page 5) that it had a final determination

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FPSC-RECORDS/REPORTING

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of the refund amounts regarding the 1-800 services. MCI WORLDCOM Communications, Inc. reported that a total of \$216,358.43 was overcharged, and in accordance with the Amended Offer of Settlement approved by Order No. PSC-00-2139-PAA-TI, the amount would be doubled, resulting in a refund of \$432,716.86.

Based on the Commission's instructions in Order No. PSC-00-2139-PAA-TI, staff is filing this recommendation seeking the Commission's approval for the "true-up" refund amount of \$432,716.86.

**DISCUSSION OF ISSUES**

**ISSUE 1:** Should the Commission accept the true-up amount proposed by MCI WORLDCOM Communications, Inc. whereby it will issue a one-time refund to former MCI Telecommunication Inc.'s customers using its 1-800 services of \$216,358.43, plus interest, plus an additional amount necessary to bring the total refund to \$432,716.86?

**RECOMMENDATION:** Yes. Staff recommends that the Commission should accept the true-up amount proposed by MCI WORLDCOM Communications, Inc. whereby it will issue a one-time refund to former MCI Telecommunication Inc.'s customers using its 1-800 services of \$216,358.43, plus interest, plus an additional amount necessary to bring the total refund to \$432,716.86. All reporting requirements and reporting schedules should remain the same as provided in Order No. PSC-00-2139-PAA-TI, dated November 8, 2000. **(Kennedy)**

**STAFF ANALYSIS:** On November 8, 2000, Proposed Agency Action (PAA) Order No. PSC-00-2139-PAA-TI was issued approving the Amended Offer of Settlement proposed by the WorldCom Operating Companies, whereby, MCI WORLDCOM Communications, Inc. will issue a one-time refund to former MCI Telecommunication Inc.'s customers using its 1-800 services of approximately \$150,000 to \$175,000 (with a true-up required), plus interest, plus an additional amount necessary to bring the total refund to approximately \$300,000 to \$350,000. Consummating Order No. PSC-00-2303-CO-TI made Order No. PSC-00-2139-PAA-TI effective and final on December 4, 2000.

In addition, Order No. PSC-00-2139-PAA-TI authorized staff of the Division of Legal Services and the Division of Competitive Services to approve administratively the "true-up" adjustments for the refund, if the "true-up" fell within a range of \$300,000 to \$350,000. On February 13, 2001, MCI WORLDCOM Communications, Inc. notified staff that it had a final determination of the refund amounts regarding the 1-800 services (Attachment A, page 5). MCI WORLDCOM Communications, Inc. reported that a total of \$216,358.43 was overcharged and when doubled, resulted in a refund amount of \$432,716.86. This amount falls outside the range for which staff was authorized by the Commission to administratively approve. Based on the Commission's instructions in Order No. PSC-00-2139-PAA-TI, staff has filed this recommendation seeking the Commission's approval for MCI WORLDCOM Communications, Inc.'s "true-up" amount of \$432,716.86.

Accordingly, staff recommends that the Commission should accept the true-up amounts proposed by MCI WORLDCOM Communications, Inc. whereby it will issue a one-time refund to former MCI Telecommunication Inc.'s customers using its 1-800 services of \$216,358.43, plus interest, plus an additional amount necessary to bring the total refund to \$432,716.86. All reporting requirements and reporting schedules remain the same as provided in Order No. PSC-00-2139-PAA-TI, dated November 8, 2000.

**ISSUE 2:** Should this docket be closed?

**RECOMMENDATION:** No. If no person, whose interests are substantially affected by the proposed action files a protest of the Commission's decision on Issue 1 within the 21 day protest period, the Commission's Order will become final upon issuance of a Consummating Order. This docket should remain open pending the completion of the requirements of Order No. PSC-00-2139-PAA-TI.  
**(Vaccaro)**

**STAFF ANALYSIS:** Whether staff's recommendation on Issue 1 is approved or denied, the result will be a proposed agency action order. If no person, whose interests are substantially affected by the proposed action files a protest of the Commission's decision on Issue 1 within the 21 day protest period, the Commission's Order will become final upon issuance of a Consummating Order. This docket should remain open pending the completion of the requirements of Order No. PSC-00-2139-PAA-TI.

**HOPPING GREEN SAMS & SMITH**

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February 13, 2001

**BY HAND DELIVERY**

Ray Kennedy  
Division of Competitive Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

Re: Docket No. 001411-TI

Dear Mr. Kennedy:

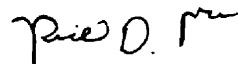
As a follow-up to our telephone conversation today, this is to report that the company has determined that the final amount of the overcharge for MCIT's 1-800 service was \$216,358.43. This compares to the range of \$150,000 to \$175,000 estimated in the Amended Offer of Settlement that was approved by Order No. PSC-00-2139-PAA-TI.

In accordance with the settlement agreement, this amount was doubled, and 1-800 customers have been credited or refunded a total of \$432,716.86, compared to the \$300,000 to \$350,000 estimated in the Amended Offer of Settlement.

The company will be filing a refund report in March, 2001, to report the status of the various refunds, credits and rate reductions.

If you need any additional information, please let me know.

Very truly yours,



Richard D. Melson

cc: Brian Sulmonetti